

IMPORTANT QUESTIONS – 2019-20

CLASS – XII – ECONOMICS

**CHAPTER – 1,2,3 MACRO ECONOMICS[NATIONAL INCOME AND RELATED
AGGREGATES AND ITS MEASUREMENTS]**

3 MARKS

1. Distinguish between intermediate goods and final goods also give example.
2. Distinguish between consumer goods and capital goods?
3. Distinguish between stocks and flows. Given an example of each.
4. Explain circular flow of income and its components.
5. Discuss any three differences between GDP at constant price and GDP at current price.

6 MARKS

6. GDP is not appropriate indicator for welfare, comment.

7. Calculate sales from given data:

i)	GST	5000
ii)	Factor income from abroad	600
iii)	Net value added at factor cost	24000
iv)	Gross domestic fixed capital formation	2000
v)	Net domestic capital formation	1800
vi)	Subsidies	500
vii)	Factor income to abroad	2000
viii)	Change in stock	200
ix)	Purchase of raw material	10000
x)	Expenses on fuel and power	5000

8. Calculate national income from .

a) Value Addition method

b) Expenditure method

i)	Private consumption expenditure	10,000
ii)	Net factor income to abroad	(-) 4000
iii)	Net indirect tax	500
iv)	Factor income from abroad	1800
v)	Government consumption expenditure	5000
vi)	Quantity of output sold (units)	2000
vii)	Price per unit	20
viii)	Decreases in closing stock	5000
ix)	Subsidies	300
x)	Purchase of intermediate good	13000
xi)	Current replacement cost	2000
xii)	Net Domestic capital formation	6000
xiii)	Net Import	1000

9. Calculate national income from income method.

i)	Interest	5000
ii)	Dividend	800
iii)	Rent and royalty	600
iv)	Corporate Tax	500
v)	Undistributed profit of private enterprises	4000
vi)	Salary and wages	5000
vii)	Rent free accommodation	2000
viii)	Employer's contribution in social security scheme.	1000
ix)	Net factor income to abroad	200
x)	Net Indirect Tax	350

CHAPTER – 4 MONEY

Q1. Define money and money supply? Write components of money supply?

CHAPTER – 5 BANKING

Q1. What is meant by Commercial Bank? What are the two essential conditions for an institution to become a bank?

Q2. Explain the concept of money creation done by the commercial banks the help of an example.

Q3. Discuss the difference between a Central Bank and Commercial Bank.

Q4. How does change in margin requirement help in controlling credit?

Q5. What are Open Market Operations? What is their effect on the availability of credit?

Q6. What is Repo rate, Reverse repo rate and Bank rate policy? How do they work as method of credit control?

Q7. Define cash reserve ratio and statutory liquidity ratio? How can they be used to control the situation of excess supply?

Q8. Explain the following functions of a Central Bank?

(a) Currency Authority of Bank issue.

(b) Banker to the Government.

(c) Banker's Bank and Supervisor.

Controller of Money supply and credit.